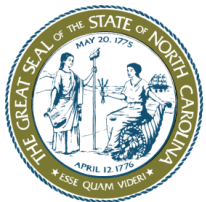


Division of Employment Security

Governmental Operations Subcommittee on the Use and Distribution of Federal COVID Funding



NC DEPARTMENT
of COMMERCE
EMPLOYMENT SECURITY

Dec. 2, 2021

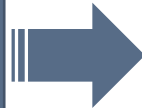
Pryor Gibson, Assistant Secretary
N.C. Division of Employment Security

Unemployment Benefits During the COVID-19 Pandemic



In 18 Months

More than
1.5 Million North Carolinians
applied for unemployment benefits.



1,000,000 qualified for benefits.
520,000 were not eligible.

The Division of Employment Security paid claimants more than

\$13 Billion in benefits

and administered

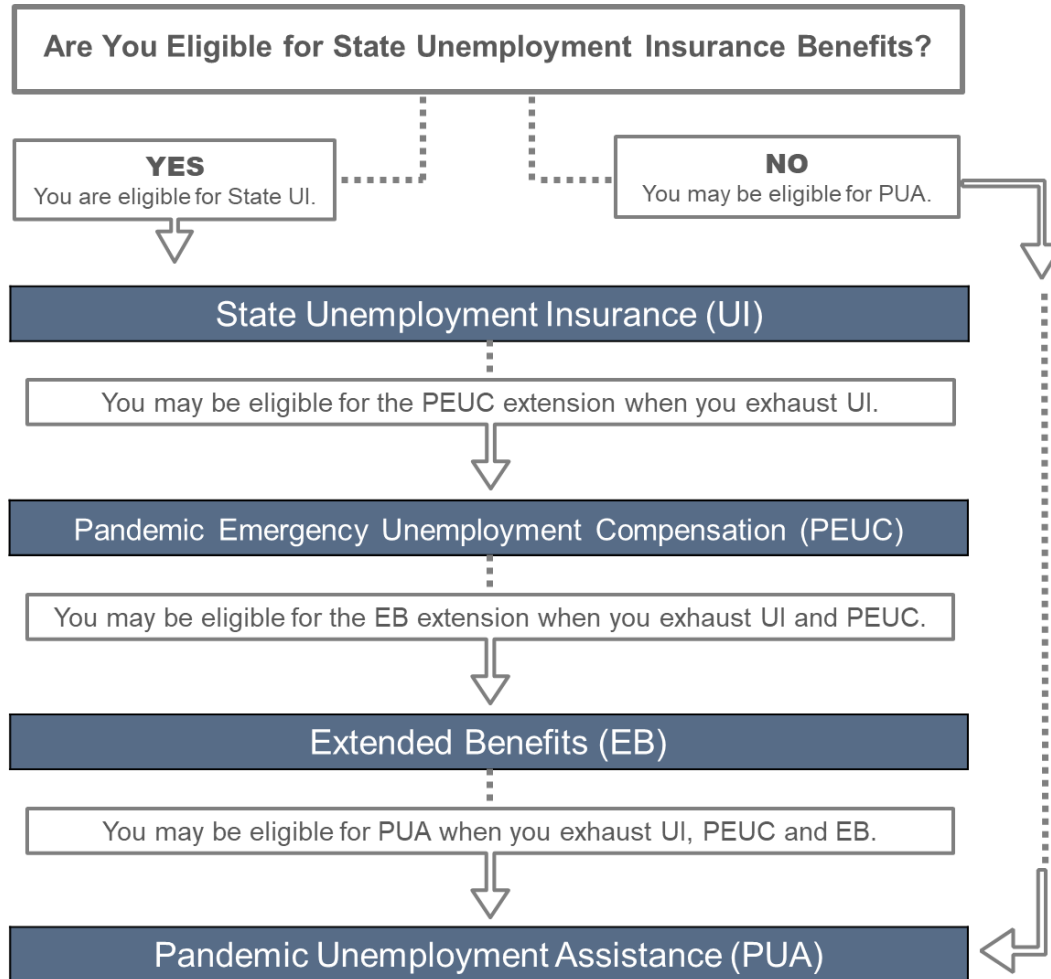
9 state and federal unemployment programs.

Unemployment Benefits During the COVID-19 Pandemic



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DES administered nine state and federal unemployment programs.



Supplementary Unemployment Benefits

Benefits paid on top of weekly UI, PEUC, EB or PUA benefits.

Federal Pandemic Unemployment Compensation \$300 (FPUC)

Mixed Earner Unemployment Compensation (MEUC)

Increased Benefit Amount (IBA)

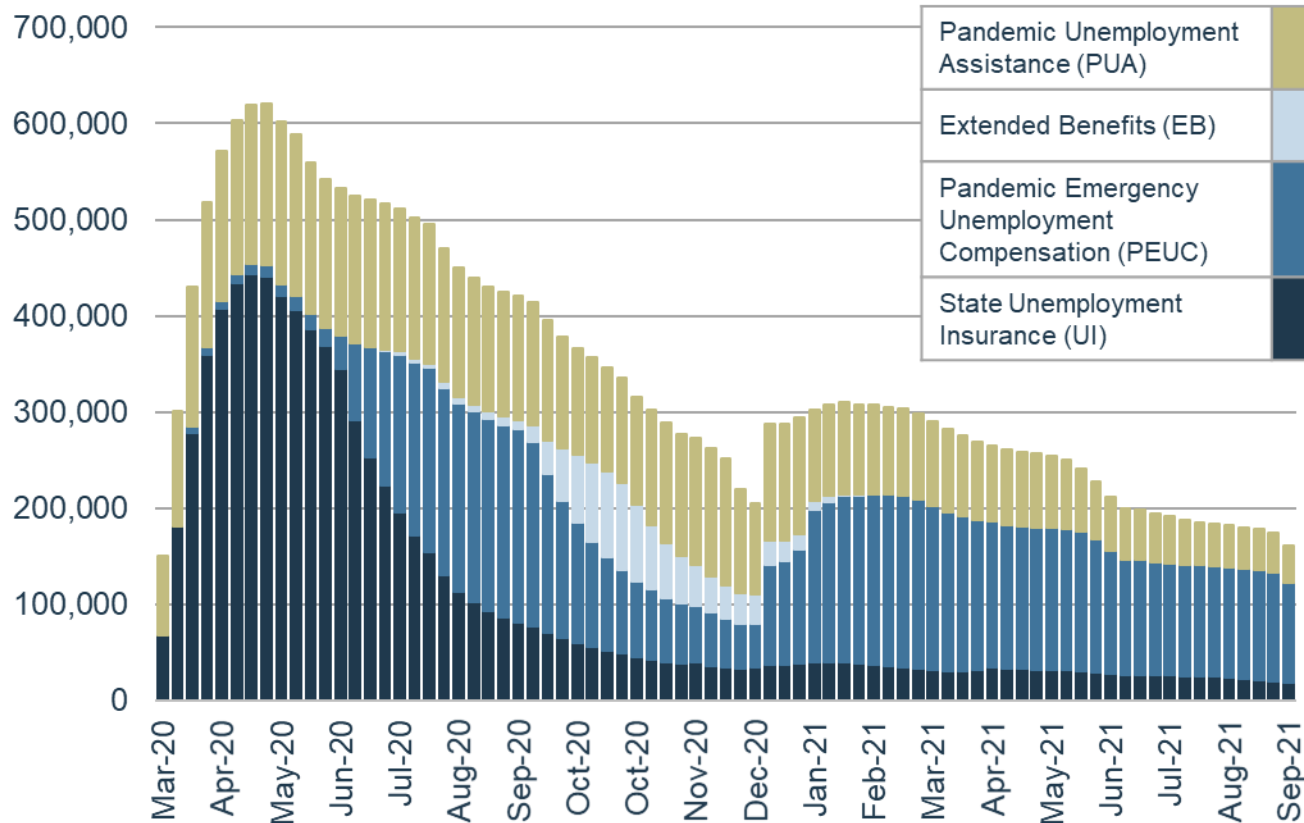
Lost Wages Assistance (LWA)

Federal Pandemic Unemployment Compensation \$600 (FPUC)

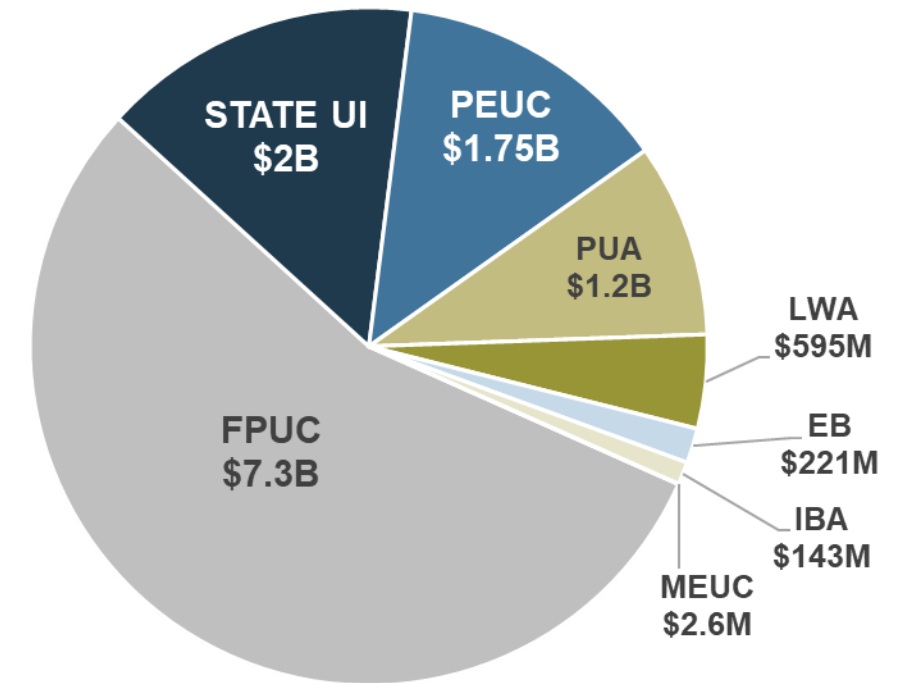
Claimants and Dollars Paid by Program



Number of Claimants Paid by Benefit Week (4 Primary Programs)

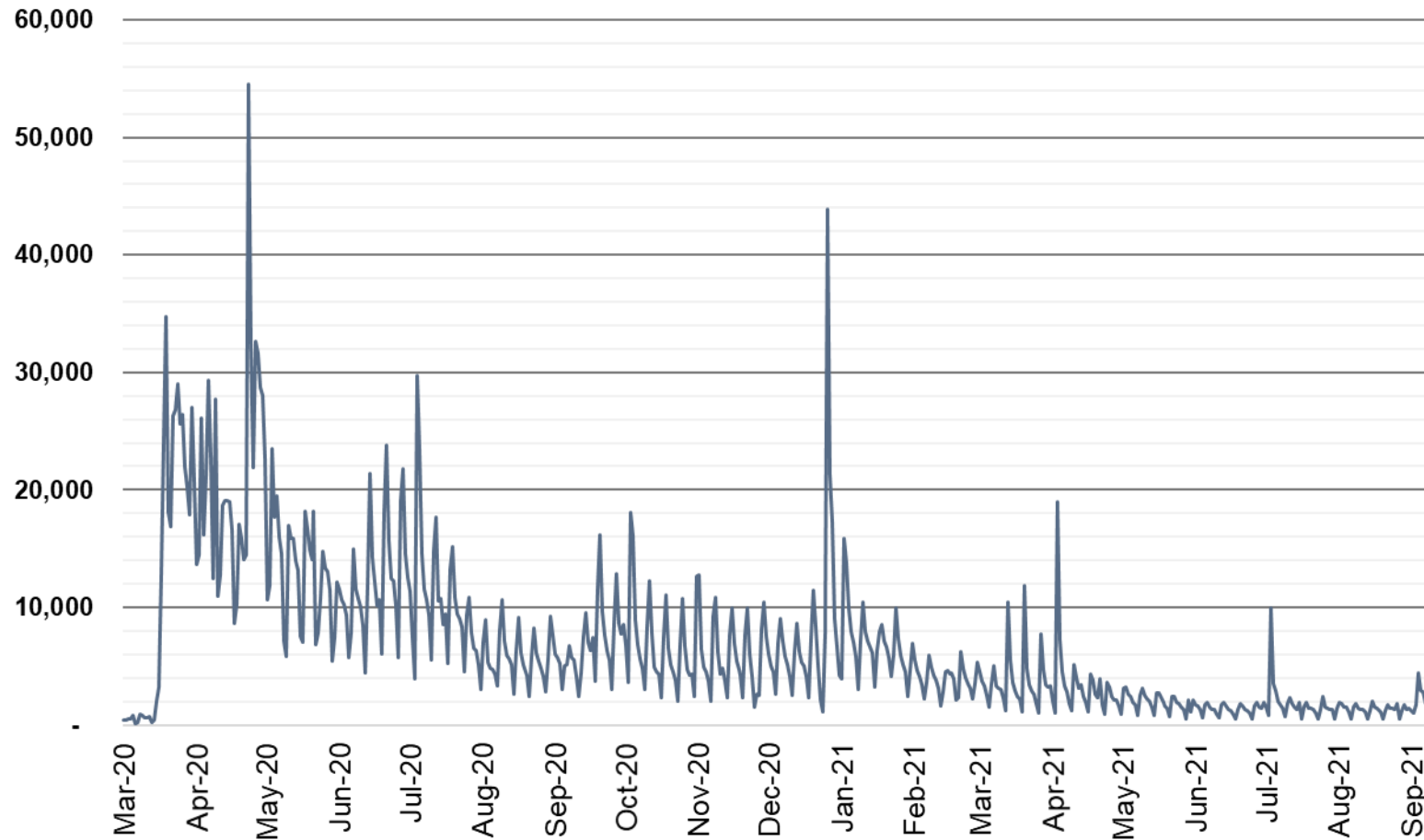


Dollars Paid (All Programs)
March 15, 2020 – Sept. 10, 2021



Addressing the Challenges

Claims Filed March 15, 2020 – Sept. 9, 2021: **3.8 million**



Implemented plan to reduce backlog of claims with team of experts dedicated to resolving oldest and most complicated claims.

Addressing the Challenges



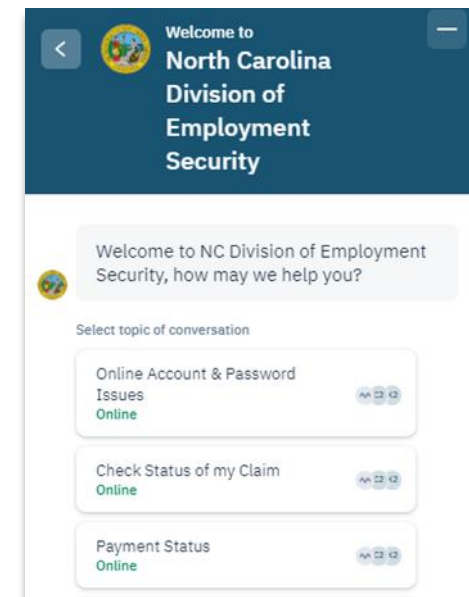
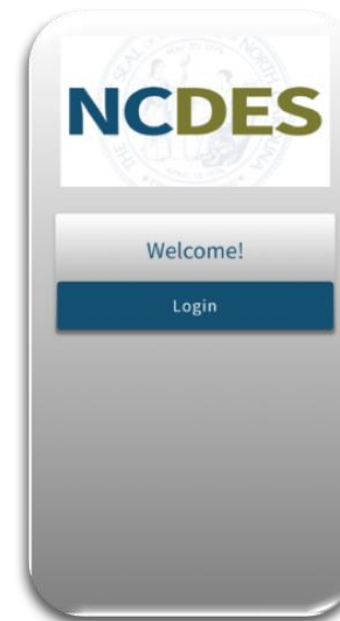
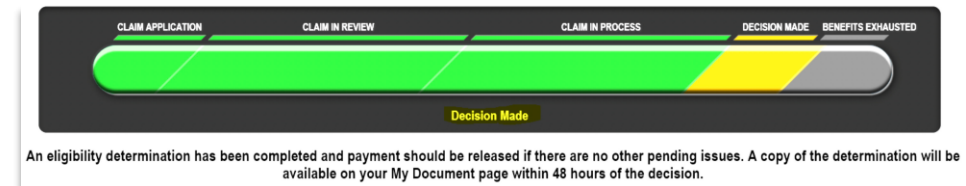
DES acted immediately to upgrade and improve processes, technology and customer service.

- Upgraded systems and added capacity to handle large volumes of incoming claims and calls.
- Ramped up staffing from approximately 500 employees before the pandemic to a staff of more than 2,500 permanent, temporary, redeployed state employees, contracted, intern and retired employees.
- Stood up a contract call center that added up to 1,800 agents to handle the incoming calls.

Addressing the Challenges

Continued improvements to customer service features were made throughout the pandemic.

- Claim Status Tracker by phone and online
- New NCDES Mobile App
- Live Chat on the DES website
- Customer Call Back Option
- Claimant ID Recovery Self-Service
- Redesigned Customer-Facing Screens in the benefits system



Performance of the SCUBI System



North Carolina's benefits system, SCUBI, performed well during the COVID-19 pandemic.

- SCUBI (the Southeast Consortium for Benefits Integration claims system) was launched in late 2018. Replaced a mainframe system that was 30 years old.
- The system is deployed in the cloud and has a high level of scalability.
- SCUBI never crashed during the COVID-19 pandemic even with a very high claims load. Up to 54,000 claims filed in a single day.
- DES was able to implement new unemployment benefit programs quickly through SCUBI.

Program Implementation in SCUBI

DES was able to quickly stand up the three programs of the federal CARES Act: FPUC, PEUC and PUA.

Program	Implementation Date	Days Between Initial USDOL Guidance and Implementation
Federal Pandemic Unemployment Compensation	April 16, 2020	12
Pandemic Unemployment Assistance	April 23, 2020	19
Pandemic Emergency Unemployment Compensation	May 21, 2020	41

Benefits Integrity



DES must issue benefits in a timely manner, while also working to prevent fraud, waste and abuse in the unemployment benefits system.

In response to the scope of the various pandemic unemployment programs, DES has:

- Implemented new and additional safeguards to prevent and detect fraud and improper payments.
- Restructured its benefits integrity unit to align resources to improve prevention, detection and recovery of improper payments.
- Adopted a comprehensive approach to preventing and detecting fraud at every stage of the claims process that incorporates dedicated staff, outside experts, data analysis and automation.

Work Search Requirements for Claimants



In order to receive unemployment benefits, claimants must be able to work, available to work and actively seeking work. Under state law, all claimants are required to make three work search contacts each week and keep a detailed record of their work search activities.

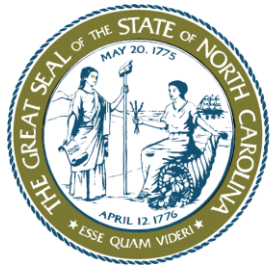
- Claimants must attest weekly as to whether they looked for work.
- Claimants are subject to random audits of their work search records per U.S. Department of Labor guidelines.
- Work search records are reviewed during mandatory Reemployment Services and Eligibility Assessment (RESEA) and Employability Assessment Interview (EAI) appointments conducted by the Division of Workforce Solutions and NCWorks Career Centers.
- Employers may report to DES when claimants refuse a suitable offer of work.

Looking Forward



DES strives to deliver value to taxpayers and provide excellent service to claimants and employers.

- DES continues to implement improvements and streamline processes.
- Incoming claims are stabilizing, but high workloads remain in some areas.
- The division will continue to align resources to best address current and future needs.



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Questions?